GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1236
ANSWERED ON:02.03.2001
DUMPING OF GOODS FROM NEPAL
TUFANI SAROJ

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether Nepal is misusing the Indo-Nepal trade agreement and flooding the Indian market by its goods;

(b) If so, the reaction of the Government thereto;

(c) Whether the Government have assessed the estimated loss incurred by the country as a result thereof;

(d) If so, the details thereof;

(e) Whether the Government have made efforts to tide over the above situation through negotiation on the said trade agreement; and

(f) If so, the outcome of the negotiation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (f) : Bilateral trade between India and Nepal is governed by Indo-Nepal Treaty of Trade which provides, inter-alia, that GOI will give access to the Indian market free of customs duties and quantitative restrictions for all articles manufactured in Nepal except for the items in an agreed Negative List. The Treaty also provides that in the event of this facility leading to surge in the imports generally or in the import of any particular article, the two governments shall enter into consultations with a view to taking appropriate measures.

There have been complaints from Indian industry and others that this facility has led to increased imports of some of the manufactured articles from Nepal which has adversely affected the Indian industry. Though no estimate has been made of the revenue loss to Government of account of duty free entry for imports from Nepal, action has been initiated to start the process of consultations with Government of Nepal for taking appropriate measures, as provided in the Treaty.